

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6836

BILL NUMBER: HB 1831

NOTE PREPARED: Dec 26, 2002

BILL AMENDED:

SUBJECT: Public computer access by children.

FIRST AUTHOR: Rep. Bosma

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a school corporation or a public library that provides Internet or similar computer access to minors to use software to limit the ability of minors to gain access to inappropriate materials or to purchase Internet service that filters access to these materials. The bill requires school corporations and public libraries to hold an annual public meeting to determine: (1) how to comply with these requirements; and (2) what materials are considered inappropriate for minors. The bill provides for grants from the Indiana Technology Fund (ITF) to pay for the costs of purchasing software or Internet connectivity to comply with the statute.

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* The fiscal impact of this bill is indeterminable, and would depend on the number of public libraries' and school corporations' requests for grants. However, currently there are no funds available to pay for additional grants.

Approximately \$5 M was approved and earmarked for disbursement from the original FY 2001-2003 appropriation of \$52.5 M to the Indiana Technology Fund (ITF). Approximately \$47.5 M was transferred by the State Board of Finance to the General Fund as part of deficit management.

Background: Under current law (P.L. 340-1995), the ITF is available to help school corporations and libraries to connect to the Internet. The following table illustrates a breakdown of the FY 2001-2003 appropriation to the ITF:

Use	FY 2001-2003 Appropriation	Amount Transferred To General Fund	Amount Approved For Indiana Technology Fund*
State Library & Historical Board, including INSPIRE project	\$6 M	\$3 M	\$3 M
Intelenet Commission	\$4 M	\$2 M	\$2 M
Technology Plan Grants	\$40 M	\$40 M	\$0
Technical scientific instrument instruction	\$2.5 M	\$2.5 M	\$3,600

*Funds are earmarked for disbursement.

Explanation of State Revenues:

Explanation of Local Expenditures: *Background:* Several school corporations surveyed currently use an Internet filtering device on computers used by students. Additionally, some corporations have discussed acquisition of Internet filtering equipment at school board meetings. Currently, Indiana has 293 school corporations.

Approximately 50.6% of 239 public libraries in Indiana that responded to a State Library survey had either installed an Internet filtering device or would by July 1, 2002.

Filtering software may range from \$35 to \$50 per computer, depending on the manufacturer.

Explanation of Local Revenues:

State Agencies Affected: State Budget Agency.

Local Agencies Affected: School corporations and public libraries.

Information Sources: State Budget Agency; *FY 2002 Distribution of Lottery and Gaming Surplus Account Funds and Riverboat Admissions and Wagering Taxes*; *PC Magazine Online*, *2001 Utility Guide*; School corporations responding to an LSA information request on Internet filters; 2001 Indiana public library survey conducted by the Indiana State Library, www.statelib.lib.in.us.

Fiscal Analyst: Chris Baker, 317-232-9851